



# CITY COUNCIL

## AGENDA REQUEST

AGENDA OF:	10-19-10	AGENDA REQUEST NO:	III-I
INITIATED BY:	HOWARD CHRISTIAN, UTILITIES OPERATIONS MANAGER	RESPONSIBLE DEPARTMENT:	UTILITIES
PRESENTED BY:	HOWARD CHRISTIAN, UTILITIES OPERATIONS MANAGER	DEPARTMENT HEAD:	SUE ELLEN STAGGS <i>EMS</i> DIRECTOR OF UTILITIES
		ADDITIONAL DEPARTMENT HEAD (S):	N/A
SUBJECT / PROCEEDING:	SWWC WATER DISTRIBUTION AND WASTEWATER COLLECTION OPERATIONS CONTRACT FOR FY10 APPROVE CHANGE ORDER		
EXHIBITS:	CHANGE ORDER REQUEST		
CLEARANCES		APPROVAL	
LEGAL:	N/A	EXECUTIVE DIRECTOR:	N/A
PURCHASING:	TODD REED, PURCHASING MANAGER <i>TR</i>	ASST. CITY MANAGER:	KAREN DALY <i>kd</i>
BUDGET:	BRYAN GUINN <i>BG</i> BUDGET MANAGER	CITY MANAGER:	ALLEN BOGARD <i>kd</i> FOR AB
BUDGET			
EXPENDITURE REQUIRED: \$		43,299.24	
CURRENT BUDGET: \$		1,830,124.60	
ADDITIONAL FUNDING: \$		0.00	
RECOMMENDED ACTION			
Authorize change order in the amount of \$43,299.24 to SWWC for additional services performed for FY10.			

## EXECUTIVE SUMMARY

In FY06, the City Council authorized a five-year contract with SouthWest Water Company (SWWC) to provide utilities services for water distribution, wastewater collection for approximately half of the City and meter reading and billing related services citywide. This contract includes two annual escalation features in base services, an increase based on the number of new connections in their service area and a CPI adjustment which is capped at 2.5 percent increase per year. The majority of the work SWWC performs is included as base services, including the first \$2,500 of any repair.

When the initial FY06 contract was approved, the City Council authorized funding \$250,000 for additional services. However, additional services for FY10 will exceed the purchase order by approximately \$43,300.00. The majority of the change order represents costs for lift station pump repairs and Treasury repair requests.

The chart below illustrates the annual purchase order amount of each contract year (base cost plus additional services of \$250,000 in fees charged by SWWC) and the annual cost adjustments since the inception of the contract. FY10 shows the increase to the purchase order that represents the added cost associated with the additional repairs.

<b>Year</b>	<b>Base Services</b>	<b>Additional Services</b>	<b>Total Purchase Order</b>	<b>Change Order</b>	<b>Total for Year</b>
FY06	\$1,260,408	\$250,000	\$1,510,408	\$ 55,608	\$ 1,566,016
FY07	\$1,309,752	\$200,722	\$1,510,474	\$ 0	\$ 1,510,474
FY08	\$1,350,132	\$225,155	\$1,575,287	\$ 190,231	\$ 1,765,518
FY09	\$1,408,164	\$250,000	\$1,658,164	\$300,000	\$ 1,958,162
FY10	\$1,462,430	\$250,000	\$1,712,430	\$43,300	\$1,755,730

Combining the base and additional services, and the change order brings the total FY10 billed amount to \$1,755,730, which includes the requested change order in the amount of \$43,299.95. There is adequate funding available in the Utilities FY10 operations budget to pay for the change order request.

The Utilities Department requests the City Council authorize a change order in the amount of \$43,299.95 to SWWC for additional services performed in FY10.

## EXHIBITS

## CHANGE ORDER REQUEST

Date: 9.22.2010 Change Order #: 1  
P.O. #: 98693 Department: 050-  
5005,5011,5015  
Account #: 33.01 Contract # (if applicable): \_\_\_\_\_  
Project # (if applicable): \_\_\_\_\_

Vendor Name: SouthWest Water Company  
Requested By: SuEllen Staggs Phone Ext: 2477


### Change Order Description:

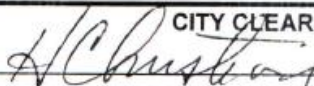
Additional billable services due to lift station pump and motor repairs for the  
2009-2010 contract year.

A. Original Purchase Order Amount:	\$1,712,430.24
B. Current Change Order Amount:	\$43,299.95
C. Previous Change Orders:	\$0.00
D. Cumulative Change Order Amount (B + C): *	\$43,299.95
E. Percent of Original Purchase Order (D ÷ A):	2.53%
F. New Purchase Order Total (A+D): **	\$1,755,730.19


\*Cumulative change order amount (Line D) must not exceed 25% of original PO amount.

\*\*If new purchase order total (Line F) exceeds \$25,000 and original purchase order amount (Line A) is less than \$25,000, change order must be taken to City Council for approval.

X Vendor Acceptance:  Date: 9/22/10

Program Manager:  **CITY CLEARANCES** Date: 9-22-10

Budget Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
(Required only if Line A ≥ \$3,000)

Department Head:  Date: 10/7/10  
(Required only if Line B = \$10,000 - \$14,999)

CM/ACM/ED: \_\_\_\_\_ Date: \_\_\_\_\_  
(Required only if Line B = \$15,000-\$24,999)

Purchasing Approval/Processing: \_\_\_\_\_ Date: \_\_\_\_\_

City Secretary: \_\_\_\_\_ Date: \_\_\_\_\_

Distribution: